



Existing Buildings Policy Research

Policy Review

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Review – September 23rd meeting


- **Disclosure Mandates**
 - Historical energy use
 - Energy performance checklist
 - Energy performance rating/label





Single Family Residential

- Energy performance rating would provide greatest value for homeowners and buyers
- Standardization, both in terms of rating and application, as well as education will be keys to success.
- Consider the workforce implications of any new requirement



Multi-family Residential

- Prescriptive checklist approach makes the most sense for multi-family residences
- Checklists could be required at every point in a lease, to monitor ongoing performance
- Cost of disclosure should be borne by the owner, rather than tenants



Commercial/Institutional

- Measurement and disclosure is an important first step
- Performance rating provides the highest value of information to owners and prospective buyers
- Rating must be regularly updated to encourage continuous improvement
- Must be a way to recognize early actors and establish baselines for different building types



Review – October 7th meeting

- **Funding Sources**
 - Low-interest Loans
 - Private Financing Pool
 - Energy Efficiency Mortgages
 - Public Financing Pool
 - Energy Efficiency Local Improvement Districts
 - Revenue or General Obligation Bond Issue
- **Innovative Repayment Mechanisms**
 - Add on to Utility Bill (On-bill Financing)
 - Add on to Property Taxes



Is Lack of Financing a Barrier?

- Financing is truly a barrier in the residential sector.
- In non-residential sector, both "free money" (incentives) and "cheap money" (financing) are needed.
- Mechanisms must consider the "split incentive" problem, so that costs and benefits are borne by the same entity



Possible Repayment Mechanisms

- May be more fair to renters to attach repayment to the property taxes
- Treating repayment as a lien on property might further increase fairness
- On-bill financing could be complicated if building is served by more than one utility
- On-bill financing does have a direct link to energy use of a structure



Review – October 21st meeting

- **Other Financial Incentives**
 - Energy efficiency fee-bate
 - Energy efficiency tax credit
- **Upgrade Mandates**
 - Performance-based
 - Prescriptive



Single Family Residential

- Any requirements should be based on performance, rather than a prescriptive list, to allow greater flexibility
- Disclosure could be used to move the market without requiring upgrades
- Create incentives for early action and keep requirements simple
- Exemptions or special considerations for income-challenged individuals
- Consider impacts on affordability of housing in Seattle market



Multi-Family Residential

- Checklist may be most appropriate, as cannot control tenant behavior
- Owner should be responsible for upgrades to building systems
- Also need to develop incentives to encourage more energy conscious tenant behavior
- Consider impacts on affordability of housing in Seattle market



Commercial/Institutional

- Concern that mandates would be difficult to administer
- Consider priming the market with incentives – let the market decide what upgrades should be required
- Voluntary measures may not achieve target – could there be a phasing in of requirements?



Today's Discussion

- Stakeholder Preferences for Policy Packages
- Hand-out summarizes:
 - Top policies per the assessment
 - Preliminary listing of stakeholder preferences based on meeting notes
 - Your chance today to weigh in on possible packages



	SINGLE-FAMILY	MULTI-FAMILY	COMMERCIAL
Disclosure Historical Energy Use Performance Rating Performance Checklist	Maximum Conservation Potential Performance Rating Performance Checklist Easiest to Implement Historical Energy Disclosure Stakeholders' Preference Performance Rating	Maximum Conservation Potential Performance Rating Easiest to Implement Historical Energy Disclosure Stakeholders' Preference Performance Checklist	Maximum Conservation Potential Performance Rating Easiest to Implement Historical Energy Disclosure Stakeholders' Preference Performance Rating
Financing Low-interest Loans Private Financing Pool Public Financing Pool • LI Public Financing Pool • Bond Sale Energy Efficient Mortgage	Maximum Conservation Potential Energy Efficiency Mortgages Easiest to Implement Low-interest Loans (but expensive) Bond Sale Stakeholders' Preference All, especially Low-interest Loans and Mortgages	Maximum Conservation Potential [All Similarly Beneficial] Easiest to Implement Low-interest Loans (but expensive) Bond Sale Stakeholders' Preference All	Maximum Conservation Potential [All Similarly Beneficial] Easiest to Implement Low-interest Loans (but expensive) Bond Sale Stakeholders' Preference All, especially Private Financing
Incentives Energy Efficiency Tax Credit Energy Efficiency Rebate Add-on to Property Taxes On-bill Financing Energy Efficiency Tax Credit	Maximum Conservation Potential Energy Efficiency Rebate Easiest to Implement Add-on to Property Taxes Stakeholders' Preference On-bill Financing Energy Efficiency Tax Credit	Maximum Conservation Potential Energy Efficiency Rebate Easiest to Implement Add-on to Property Taxes Stakeholders' Preference Energy Efficiency Tax Credit Add-on to Property Taxes	Maximum Conservation Potential Energy Efficiency Rebate Easiest to Implement Add-on to Property Taxes Stakeholders' Preference Energy Efficiency Tax Credit
Mandate Upgrades Performance Requirement Prescriptive Requirement	Maximum Conservation Potential Performance Requirement Easiest to Implement Prescriptive Requirement Stakeholders' Preference [None - general (but not universal) opposition]	Maximum Conservation Potential Performance Requirement Easiest to Implement Performance Requirement Stakeholders' Preference [None - general (but not universal) opposition]	Maximum Conservation Potential Performance Requirement Easiest to Implement Performance Requirement Stakeholders' Preference [None - general (but not universal) opposition]